



**Commercial Telecom Systems, Inc.**

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October 9, 1996

Chairman Reed Hundt  
Federal Communications Commission  
1919 M Street NW  
Washington, D.C. 20554

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RE: Bundling of CPE by Interexchange Carriers, CC Docket 96-61

Dear Mr. Chairman:

As a competitive Value Added Reseller ("VAR"), we wish to express our strong opposition to the Commission's proposal to allow interexchange carriers to bundle customer premises equipment ("CPE") with their regulated transmission service.

Value Added Resellers purchase equipment from independent CPE manufacturers. We then combine equipment from different manufacturers to provide customized solutions that meet the individualized needs of our customers. Because most of our customers are small to medium size businesses, they lack the resources or sophistication to assemble such customized solutions themselves. As a result, VARs are an important source of choice for these users.

If the Commission allows CPE bundling, we believe that many VARs will be forced out of business. Bundling would allow carriers to offer packages that combine transmission service with "free" CPE. A company such as ours simply cannot compete against such an offer. As a result, end-users will have no practical choice but to accept the CPE chosen by their carriers, even if it is not the best equipment for their needs. This result would not be in the public interest.

We therefore urge the Commission to retain the current rule, thereby allowing us to continue to provide increased choice to our customers.

Sincerely,

*Mark Whitten, Sec.*

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